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CENTRAL INTELLIGENCE AGENCY

6 July 1956

MEMORANDUM FOR THE DIRECTOR OF CENTRAL INTELLIGENCE

SUBJECT: Probable Consequences of the Recent Disorders
in Guatemala

1. On 24 June, President Castillo Armas, in order to meet an alleged subversive threat among students and leftists which Castillo maintained was inspired and activated by Communists, decreed a "state of alarm". On the following day, several hundred students responded to this decree, which prohibited public gatherings and considerably curtailed constitutional rights, by attempting a protest march on the presidential palace. When the demonstrators ignored orders to stop and disperse, the police fired into the crowd killing four students and injuring eighteen. On 26 June the government proclaimed a 30-day state of siege. This is the virtual equivalent of martial law.

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NO CHANGE IN CLASS. ☐
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civilian members of the Liberation movement, and with conservative business groups. We do not, however, rule out the possibility that public condemnation of the recent repressive police actions and of possible similar actions in the future may build up to such proportions that the armed forces and influential rightist elements may feel obliged to replace Castillo, probably by someone equally willing to use authoritarian methods.

4. Although the Communists are distributing anti-government propaganda and attempting to foment civil disturbances, they are not the dominant factor in the opposition to Castillo. We believe that the regime has considerably exaggerated the Communist threat in order to justify the use of more authoritarian means to stifle the opposition. However, the events of 24-26 June will almost certainly be exploited by the Communists. They will endeavor to make martyrs out of the dead students, to portray Castillo as a ruthless dictator, and to step up attempts throughout Latin America to blacken Castillo as the creature of US "intervention".

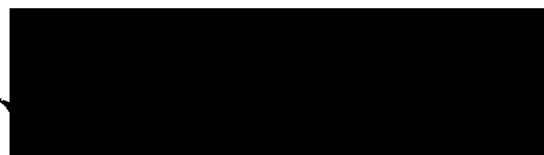
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5. Validity of NIE 82-55. (Probable Developments in Guatemala). We still believe that the Communist threat to the Castillo government is of relatively little importance, that Castillo has a better than even chance of governing for the next few years, that the armed forces continue to be essential to the survival of the regime, and that rightist elements are more likely to overthrow Castillo than any other group. (Conclusions 5-8) We no longer believe that Castillo has "a substantial residue of personal popularity throughout the country," or that he will probably continue to adhere to a moderate course. (Conclusions 2 and 7) The immediate economic problems pointed up in NIE 82-55 (conclusions 3 and 4) have been resolved, and with US assistance and the favorable international coffee market situation, the Guatemalan economy has undergone steady growth and improvement during the past year.

FOR THE BOARD OF NATIONAL ESTIMATES:

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SHERMAN KENT
Assistant Director
National Estimates

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